

Form **1040X**Department of the Treasury—Internal Revenue Service  
**Amended U.S. Individual Income Tax Return**

OMB No. 1545-0074

(Rev. December 2011)

See separate instructions.

This return is for calendar year ☒ 2011 ☐ 2010 ☐ 2009 ☐ 2008  
Other year. Enter one: calendar year or fiscal year (month and year ended):

Your first name and initial

**JAMES D**

Last name

**PIERON, JR.**

Your social security number

**-2111**

If a joint return, spouse's first name and initial

Last name

Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions.

Apt. no.

Your phone number

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

**MT. PLEASANT****MI**

Foreign country name

Foreign province/county

Foreign postal code

Amended return filing status. You must check one box even if you are not changing your filing status.  
Caution. You cannot change your filing status from joint to separate returns after the due date.☒ Single ☐ Married filing jointly ☐ Married filing separately  
☐ Qualifying widow(er) ☐ Head of household (If the qualifying person is a child but not your dependent, see instructions.)

Use Part III on the back to explain any changes

**Income and Deductions**

	A. Original amount or as previously adjusted (see instructions)	B. Net change – amount of increase or (decrease) – explain in Part III	C. Correct amount
1 Adjusted gross income. If net operating loss (NOL) carryback is included, check here <input type="checkbox"/>	<b>-146,705</b>	<b>300,000</b>	<b>153,295</b>
2 Itemized deductions or standard deduction	<b>5,800</b>		<b>5,800</b>
3 Subtract line 2 from line 1	<b>-152,505</b>	<b>300,000</b>	<b>147,495</b>
4 Exemptions. If changing, complete Part I on the back and enter the amount from line 30	<b>3,700</b>		<b>3,700</b>
5 Taxable income. Subtract line 4 from line 3	<b>-156,205</b>	<b>300,000</b>	<b>143,795</b>
<b>Tax Liability</b>			
6 Tax. Enter method used to figure tax: <b>TCW</b>	<b>0</b>	<b>33,880</b>	<b>33,880</b>
7 Credits. If general business credit carryback is included, check here <input type="checkbox"/>	<b>0</b>	<b>3,969</b>	<b>3,969</b>
8 Subtract line 7 from line 6. If the result is zero or less, enter -0-	<b>0</b>	<b>29,911</b>	<b>29,911</b>
9 Other taxes	<b>0</b>		
10 Total tax. Add lines 8 and 9	<b>0</b>	<b>29,911</b>	<b>29,911</b>
<b>Payments</b>			
11 Federal income tax withheld and excess social security and tier 1 RRTA tax withheld (if changing, see instructions)	<b>17,196</b>		<b>17,196</b>
12 Estimated tax payments, including amount applied from prior years return	<b>0</b>		
13 Earned income credit (EIC)	<b>0</b>		
14 Refundable credits from <input type="checkbox"/> Schedule M or Form(s) <input type="checkbox"/> 2439 <input type="checkbox"/> 4136 <input type="checkbox"/> 5405 <input type="checkbox"/> 6801 <input type="checkbox"/> 6812 <input type="checkbox"/> 6839 <input type="checkbox"/> 6863 <input type="checkbox"/> 6885 or <input checked="" type="checkbox"/> other (specify): <b>IRC SEC 1341</b>	<b>0</b>	<b>436,446</b>	<b>436,446</b>
15 Total amount paid with request for extension of time to file, tax paid with original return, and additional tax paid after return was filed			
16 Total payments. Add lines 11 through 15			<b>453,642</b>
<b>Refund or Amount You Owe (Note. Allow 8-12 weeks to process Form 1040X.)</b>			
17 Overpayment, if any, as shown on original return or as previously adjusted by the IRS			<b>17,196</b>
18 Subtract line 17 from line 16 (if less than zero, see instructions)			<b>436,446</b>
19 Amount you owe. If line 10, column C, is more than line 18, enter the difference			
20 If line 10, column C, is less than line 18, enter the difference. This is the amount overpaid on this return			<b>406,535</b>
21 Amount of line 20 you want refunded to you			<b>406,535</b>
22 Amount of line 20 you want applied to your (enter year): estimated tax	<b>22</b>		

For Paperwork Reduction Act Notice, see Instructions.

Complete and sign this form on Page 2.

Form 1040X (Rev. 12-2011)

APR 16 2014

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DEFENDANT'S  
EXHIBIT  
1034  
US v. PIERON

JAMES D PIERON, JR.

Form 1040X (Rev. 12-2011)

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**Part I Exemptions**

Complete this part only if you are:

- Increasing or decreasing the number of exemptions (personal and dependents) claimed on line 6d of the return you are amending, or
- Increasing or decreasing the exemption amount for housing individuals displaced by a Midwestern disaster in 2008 or 2009.

See Form 1040 or Form 1040A Instructions and Form 1040X Instructions.

	A. Original number of exemptions or amount reported or as previously adjusted	B. Net change	C. Correct number or amount
23 Yourself and spouse. Caution. If someone can claim you as a dependent, you cannot claim an exemption for yourself	23		
24 Your dependent children who lived with you	24		
25 Your dependent children who did not live with you due to divorce or separation	25		
26 Other dependents	26		
27 Total number of exemptions. Add lines 23 through 26	27		
28 Multiply the number of exemptions claimed on line 27 by the exemption amount shown in the Instructions for line 28 for the year you are amending	28		
29 If you are claiming an exemption amount for housing individuals displaced by a Midwestern disaster, enter the amount from Form 8914, line 2 for 2008, or line 6 for 2009	29		
30 Add lines 28 and 29. Enter the result here and on line 4 on page 1 of this form	30		
31 List ALL dependents (children and others) claimed on this amended return. If more than 4 dependents, see instructions.			

(a) First name	Last name	(b) Dependent's social security number	(c) Dependent's relationship to you	(d) Check box if qualifying child for child tax credit (see instructions)

**Part II Presidential Election Campaign Fund**

Checking below will not increase your tax or reduce your refund.

☐ Check here if you did not previously want \$3 to go to the fund, but now do.

☐ Check here if this is a joint return and your spouse did not previously want \$3 to go to the fund, but now does.
**Part III Explanation of changes.** In the space provided below, tell us why you are filing Form 1040X.

- ▶ Attach any supporting documents and new or changed forms and schedules.

**SEE ATTACHED STATEMENT****Sign Here**

Remember to keep a copy of this form for your records.

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information about which the preparer has any knowledge.

Your signature <u><i>[Signature]</i></u> Date <u>17-MAR-18</u>		Spouse's signature, if a joint return, both must sign. _____ Date _____	
Paid Preparer Use Only Preparer's signature <u><i>[Signature]</i></u> Date <u>3/21/18</u>		Firm's name (or yours if self-employed) <u>ANDREWS HOOPER PAVLIK PLC</u>	
Print/type preparer's name <u>KIM D. PAVLIK</u>		Firm's address and ZIP code <u>5300 GRATIOT RD</u> <u>SAGINAW MI 48638-6035</u>	
PTIN <u>P00044903</u>		<input type="checkbox"/> Check if self-employed Phone number <u>989-497-5300</u> EIN <u>3790</u>	

For forms and publications, visit IRS.gov.

Form 1040X (Rev. 12-2011)

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Form **8275**

(Rev. August 2013)

Department of the Treasury  
Internal Revenue Service

Name(s) shown on return

**Disclosure Statement**

Do not use this form to disclose items or positions that are contrary to Treasury regulations. Instead, use Form 8275-R, Regulation Disclosure Statement.  
 ▶ Information about Form 8275 and its separate instructions is at [www.irs.gov/form8275](http://www.irs.gov/form8275).  
 ▶ Attach to your tax return.

OMB No. 1545-0089

Attachment  
Sequence No. **92**

James D. Picon Jr.

Identifying number shown on return

2111

If Form 8275 relates to an information return for a foreign entity (for example, Form 5471), enter:  
Name of foreign entity ▶

Employer identification number, if any ▶

Reference ID number (see instructions) ▶

**Part I General Information** (see instructions)

(a) Rev. Rul., Rev. Proc., etc.	(b) Item or Group of Items	(c) Detailed Description of Items	(d) Form or Schedule	(e) Line No.	(f) Amount
1 IRC Sec 108		Discharged indebtedness excluded from gross income			
2 IRC Sec 108		Discharged indebtedness excluded from gross income	982	2	13,370,885
3 IRC Sec 1341		IRC 1341 "Claim of Right" tax adjustment taken as additional federal tax paid on 1040 line 71	1040	21	13,370,885
4			1040	71	436,446
5					
6					

**Part II Detailed Explanation** (see instructions)

1 See attached statement describing tax reporting event, position on IRC Sec 108, reporting discharge of indebtedness  
excluded from gross income, and taking IRC 1341 "Claim of Right" tax adjustment as additional federal tax paid on 1040 line 71.

2

3

4

5

6

**Part III Information About Pass-Through Entity.** To be completed by partners, shareholders, beneficiaries, or residual interest holders.

Complete this part only if you are making adequate disclosure for a pass-through item.

Note: A pass-through entity is a partnership, S corporation, estate, trust, regulated investment company (RIC), real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC).

- 1 Name, address, and ZIP code of pass-through entity
- 2 Identifying number of pass-through entity
- 3 Tax year of pass-through entity  
/ / to / /
- 4 Internal Revenue Service Center where the pass-through entity filed its return

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 61835M

Form **8275** (Rev. 8-2013)**10B.001**

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Form 8275 (Rev. 8-2013)

**Part IV** Explanations (continued from Parts I and/or II)

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Form 8275 (Rev. 8-2013)

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## Tax overpayment/underpayment summary

James D. Pleron Jr.

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12/31/2011

	Returns as Last Filed	Tax liability	Returns as Recalculated under Section 1341	Tax liability	Section 1341 Adjustment	Net Tax Due
2008	\$ 365,082		\$ 8,690	\$ 356,392		
2009	74,272		-	74,272		
2010	5,782		-	5,782		
	<u>445,136</u>		<u>8,690</u>	<u>436,446</u>		

2011 Tax Liability as Last filed	\$ -
2011 Tax Liability per this Amended Return	29,911
2011 TAX LIABILITY AS ADJUSTED	<u>29,911</u>
2011 Tax Payments	17,196
Balance Due	<u>12,715</u>

	Returns as Recalculated under Section 1341 Per Above	Taxes Paid			Credit under Section 1341 Net of Amounts Not Paid
	Tax	Withholding	Installment Agreement	Total	Net Credit
2008	\$ 8,690		\$ 9,000	\$ 9,000	\$ (310)
2009	-	\$ -	-	-	-
2010	-	10,087	-	10,087	(10,087)
					<u>10,397</u>
					(10,397)
					<u>NET DUE for 2008-2011</u>
					\$ 2,318

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2011 1040x amended return detail  
James D. Pieron Jr.  
2111  
12/31/2011

	2008	2009	2010	2008- 2010 Subtotal	2011	TOTAL
<b>AS AMENDED</b>						
<b>WAGES</b>						
Exclusion	90,995	54,002	52,500		90,000	
Net Wages	(87,600)	(54,002)	-		-	
Interest	3,395	0	52,500		90,000	
<b>CG/CL</b>			644			
JP Morgan - Sec 1256	1,046,617	-	-		-	
Saxobank - Sec 1256	(600,141)	(33,919)	249,330		(3,000)	
JDFX	9,289,871	5,250,000	-		-	
IB Technologies 1244 Loss	-	-	-		(50,000)	
Limited - C/O	(295,024)	-	-		-	
Total Sch D	9,441,323	5,216,081	249,330		(53,000)	
<b>IQ - Sch E</b>			(183,977)		(183,705)	
Theft Loss	(7,008,651)	(4,712,804)	-		-	
AGI - As adjusted	2,436,067	503,277	118,497	3,057,841	(146,705)	2,911,136
Tax based on 1st amended return	365,082	74,272	5,762	445,136	0	445,136

**AMENDED RETURNS, ADJUSTED AS FOLLOWS:**

\*NO THEFT LOSS, JDFX GAIN EXCLUDED FOR THE PURPOSES OF SECTION 1341 CALCULATION

<b>WAGES</b>						
Exclusion	90,995	54,002	52,500		90,000	
Net Wages	(87,600)	(54,002)	-		-	
Interest	3,395	0	52,500		90,000	
<b>CG/CL</b>			644			
JP Morgan - Sec 1256	1,046,617	-	-		-	
Saxobank - Sec 1256	(600,141)	(33,919)	249,330		(3,000)	
JDFX - Gain	9,289,871	5,250,000	-		-	
JDFX - Gain Disregarded - IRC 1341 claim of right	(9,289,871)	(5,250,000)	-		-	
Komplique Capital Loss (n/a)	-	-	-		(50,000)	
IB Technologies 1244 Loss	-	-	-		-	
Limited - C/O	(295,024)	30,919	(249,330)		0	
Total Sch D	151,452	(3,000)	0		(53,000)	
<b>IQ - Sch E</b>			(183,977)		(183,705)	
Theft Loss	-	-	-		-	
AGI as adjusted	154,847	(3,000)	(130,833)		(146,705)	(125,691)
Debt Forgiveness Income added to tax year 2011	-	-	-		300,000	
AGI after Debt Forgiveness Income	154,847	0	(130,833)		153,295	(125,691)
Total Tax after credits	8,690	0	0	8,690	29,911	38,601

Total Tax liability 2008-2010 No JDFX gain	8,690	29,911	38,601
Total Tax liability 2008-2010 with JDFX gain	445,136	-	445,136
Difference reported as IRC 1341 payments (1)	(1) 436,446	29,911	406,535
2008 federal withheld	-	-	-
2009 federal withheld	-	-	-
2010 federal withheld	10,087	-	10,087
2011 federal withheld (2)	n/a	(2) 17,196	17,196
Installment agreement payments	9,000	-	9,000
5/2012-10/2012 (1,500 for 6 months)	-	-	-
Total W/H and installment payments	19,087	17,196	36,283
IRC 1341 claim of right payments	436,446	-	436,446
Total payments incl. IRC 1341, WH and installments	455,533	17,196	472,729
Balance due (overpaid) after payments	-	-	-
based on actual tax liability	(446,843)	12,715	(434,128)
Total Tax liability difference 2008-2010 with JDFX gain	436,446	-	436,446
Due/(over paid)	(10,397)	12,715	2,318

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James D. Pieron Jr.

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**Statement regarding amended return (2011-1040x) and disclosure statement (form 8275)**

Taxpayer James Pieron Jr. ("Pieron") was a resident in Switzerland from approximately 1998 to 2010. During that time, he founded a company called JDFX Holding AG ("JDFX") that specialized in trading technologies. In 2007 he sold a 20% stake in JDFX for \$10 million with an effective date of January 1, 2008. In a separate transaction, he sold an additional 15% stake for \$5.25 million with an effective date of January 1, 2009.

During the period of 2007 through 2009, Pieron loaned a substantial portion of sale proceeds to JDFX as working capital. In Switzerland, there is no capital gain tax for Swiss nationals. For that reason, the sale and loan vehicles were properly structured. However, because Pieron was a US citizen first and Swiss resident second, the selling of corporate shares should have been made by the corporation, requiring no loans from Pieron. Because Pieron received no tax advice regarding the US impact, he sold his shares individually and then loaned a substantial portion of the proceeds back to JDFX.

In late 2009, the owner of Market Shot, namely Trevor Cook ("Cook"), was implicated in a Ponzi scheme. Cook was later indicted and convicted related to the Ponzi scheme. Because Cook owned 35% of JDFX, when the Ponzi scheme became public knowledge, banks and liquidity providers began terminating their relationships with JDFX. Shortly thereafter, JDFX was liquidated and Pieron's loans and reinvested capital were lost. Pieron was not accused, indicted, or prosecuted for any wrong doing.

Original returns were filed showing gains on JDFX stock in 2008 and in 2009. Subsequently, amended returns were filed in 2012 adjusting the JDFX gains and recording a theft loss that was an indirect result of the Ponzi scheme.

The income was reported under the claim of right doctrine.

Under the claim of right doctrine a taxpayer who receives any income under a claim of right that is free of restrictions must include that income in gross income for the year of receipt.<sup>1</sup> It does not matter that the taxpayer is not entitled to retain the income and might be obligated to return it.<sup>2</sup>

The Supreme Court has stated that if a taxpayer who included a receipt in gross income under the claim of right doctrine is required to repay it in a subsequent taxable year, the taxpayer is entitled to a deduction in the year of repayment.<sup>3</sup>

Because the deduction in the year of repayment of an item previously included in gross income under the claim of right doctrine might not provide as much a reduction in tax liability as the tax generated by the previous income inclusion, Congress enacted §1341 in order to mitigate that effect.<sup>4</sup> Under §1341, taxpayers are permitted to forgo the deduction in the year of repayment so that they can reduce tax liability for that year by the amount of tax liability generated by the previous inclusion.<sup>5</sup>

In order to obtain the benefits of §1341, the following five requirements must be satisfied;

- the item was included in gross income in a previous taxable year;<sup>6</sup>
- the inclusion occurred because the taxpayer appeared to have an unrestricted right to the item;<sup>7</sup>
- in a later year, the taxpayer is entitled to a deduction;<sup>8</sup>



- the deduction is allowed because it was established after the close of the year of inclusion that the taxpayer did not have an unrestricted right to the item;<sup>9</sup> and
- the amount of the deduction exceeds \$3,000.<sup>10</sup>

Pieron met all of these requirements.

If the requirements of §1341 are met, the taxpayer must use one of the two alternative tax computation methods.<sup>11</sup> The application of §1341 is mandatory if its requirements are met.<sup>12</sup> The taxpayer's tax liability for the year of repayment is the lesser of the tax liabilities computed under §1341(a)(4) or (5).<sup>13</sup>

- Under §1341(a)(4), the taxpayer computes tax liability by applying the applicable tax rates to taxable income computed with the deduction for repayment taken into account.<sup>14</sup>
- Under §1341(a)(5), the taxpayer computes tax liability through a three-step process. First, tax liability for the year of repayment is computed without taking into account the deduction for repayment.<sup>15</sup> Second, the taxpayer computes the decrease in tax liability for the year of inclusion that would result solely from excluding from gross income for that year an amount of income equal to the repayment subject to limitation described in III, C, 2, d, (3), (b) through (e).<sup>16</sup> Third, the taxpayer computes tax liability for the year of repayment by subtracting the result computed in the second step from the result computed in the first step.<sup>17</sup>

The applicability of these rules to losses as a result of a Ponzi scheme were discussed in an article by Agatha Jeffers, Ph.D., CPA, and Leonard J. Lauricella, L.L.M., CPA in the May 2009 issue of Practical Tax Strategies. Below are some excerpts from that article emphasis added:

In an effort to ease the burden on investors, some of whom have lost their life savings, and to facilitate the administration of the claim for refunds of taxes, in mid-March the IRS issued Rev. Rul. 2009-9<sup>18</sup> and elective Rev. Proc. 2009-20.<sup>19</sup> The Ruling provides guidance on many of the contentious tax issues, and the Procedure contains a safe harbor for qualified investors as to the timing, character, and deduction amount, provided the taxpayer complies with the requirements.

Qualified investors are taxpayers:

- Who otherwise are able to deduct theft losses under Section 165.
- Who had no prior actual knowledge of the fraudulent nature of the Madoff scheme.
- With respect to whom the scheme is not a tax shelter.
- Who transferred cash or property directly to Madoff rather than through a fund or other entity.

The first question typically addressed was whether the loss from the Madoff Ponzi scheme could be treated as a theft loss. Section 165(a) provides that a deduction is allowed for any loss that is not covered by insurance. Theft losses include- but are not necessarily limited to-larceny, embezzlement, and robbery.

Whether a theft has occurred is determined under state law.

The Procedure goes on to describe cases where theft characterization would not be challenged. This includes, for example, the situation of a lead figure being charged under state or federal law with fraud, embezzlement, or similar crimes that, if proven, would meet the definition of theft.

**Timing of the deduction.** The next question to be addressed was the timing of the deduction.



Given the complicated nature of the Ponzi scheme; the significant possibility that claims for recovery would be made from the government; and that lawsuits would be filed against the Madoff organization, the auditors, and other investment advisors who may have channeled investors' money into the Madoff organization, the IRS could have reasonably asserted that investors (on whom the burden falls) could not prove with reasonable certainty what amount they would definitely not recover.

Initially there was some thought that the IRS might argue strenuously that the Madoff scheme did not involve a theft loss, and that the victims had a worthless security deduction under Section 165(g). This unfavorable result would have the losses treated as capital losses. Individuals can deduct capital losses,<sup>20</sup> but only against capital gains and up to \$3,000 (\$1,500 for married filing separately) of excess capital losses against ordinary income annually.<sup>21</sup>

*Once again the Ruling resolves this in a taxpayer-friendly manner as an ordinary loss.*

The most likely choices for a taxpayer to recoup the tax paid on the phantom income were thought to involve filing an amended return to remove the income and request a tax refund, or attempting to get relief under the claim of right doctrine. Implications of these two alternatives are discussed below, but the Ruling and the Procedure made the limitations period expiration date less important.

The Ruling and the Procedure provide for straightforward relief by allowing a phantom income reported to investors in 2008 to be excluded from the 2008 return and for phantom income for all prior years (even closed years) to be added to the taxpayer's adjusted basis and used in determining the theft loss. The Procedure requires the taxpayer to agree not to amend prior returns to claim a refund on the phantom income.

*Claim of right doctrine.* Another possible course of action, which did not have a 4/15/09 deadline, was to attempt to use the claim of right doctrine.<sup>22</sup> This doctrine is normally employed when a taxpayer receives income and pays tax on it, but in a later year the taxpayer is required to pay the money back because it is determined that he or she was not entitled to it in the first place.

How would this be applied to the Madoff investors? The argument was that the taxpayers included the phantom income in the earlier years and paid tax on it. Now because of the theft, they have in effect paid the money back. There are a couple benefits to this argument.

Practitioners who thought that the IRS would contest this extension of the claim of right doctrine to the Madoff facts were correct. The Ruling sets forth the IRS's argument about why the claim of right doctrine does not apply in this case. Section 1341(a)(2) requires that the deduction must arise because the taxpayer was under an obligation to restore the income. The Ruling concludes that when an investor incurs a loss from criminal fraud or embezzlement in a transaction entered into for profit, the investor's theft loss deduction does not arise from an obligation on the investor to restore the income.

Taxpayers electing under the Procedure must agree not to pursue a refund based on a claim of right. All other taxpayers can anticipate the IRS will contest any refund based on the doctrine, except possibly amounts repaid under the fraudulent conveyance statute as discussed below.

*If investors are required to return any funds received, a good argument can be made for applying the above-discussed claim of right doctrine in the year of repayment. Clearly the taxpayer will make the payment only if obligated to do so. Thus, the IRS argument stated above in the phantom income situation would not seem to be applicable. If the taxpayer chooses to deduct the repayments in the year made, there is an issue as to the character of the deduction.*

Under the Arrowsmith doctrine,<sup>23</sup> the character of the repayments will track the character of the income reported in the earlier years. Thus if the income in the earlier years was, for example, short-term capital gains, the deduction will be short-term capital losses.

No capital loss carryback is available, however, for individuals. In this case, the claim of right credit in the year of repayment might reduce the adverse impact of the repayments being characterized as capital losses. *As indicated above, election under the Procedure requires taxpayers to agree that they will not apply the alternative computation in Section 1341 with respect to the theft deduction. However, this presumably should not apply to payments that the taxpayer is required to make under the fraudulent conveyance or similar rules.*

**Income Tax-Ponzi Scheme Clawback Repayments:** The IRS issued FAQs regarding the tax treatment of clawback repayments for amounts previously reported as income from a Ponzi scheme. The term *clawback* describes the power of a trustee to recoup profits earned by an innocent investor in a Ponzi scheme that should have been available as part of a bankruptcy estate. The FAQs indicate that the repayments are not additional theft loss deductions, but are repayments of claim of right income that result in either a nontheft investment loss deduction or a credit calculated under IRC Sec. 1341, whichever results in lower tax.

The trustee in the Cook Ponzi scheme has continued to attempt to recover monies from various parties. If Pieron still had any liquid assets in 2011, the trustee would have tried to claw those funds back. Because Pieron had virtually no liquid assets, the debt was forgiven, we have re-calculated Pieron's adjusted tax for the years 2008-2011, including the forgiveness of debt income, and excluding the JDFX gains under the claim of right rules.

Based on the claim of rights calculations, Pieron's tax obligations for 2008 through 2011 total \$38,601. His withholding and other tax payments related to those years totaled \$36,283.



Based on the above, there is substantial doubt as to Pieron's tax liability for the years 2008 through 2011. This is summarized below. A more complete analysis is attached.

	<b>Tax Liability As Last Amended</b>	<b>Tax Liability As Adjusted Under Section 1341</b>
2008	\$ 365,082	\$ 8,690
2009	74,272	-
2010	5,782	-
2011	-	29,911
<b>TOTAL</b>	<b>\$445,136</b>	<b>38,601</b>
<b>TOTAL WITHHOLDINGS AND PAYMENTS</b>		<b>36,283</b>
<b>NET TOTAL TAX DUE</b>		<b>\$2,318</b>

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1. North American Oil Consol. Co. v. Burnet, 286 U.S. 417 (1932).
2. Id.
3. North American Oil Consol. Co. v. Burnet, 286 U.S. 417 (1932) (dictum).
4. See H.R. Rep. No. 1337, 83d Cong., 2d Sess., A294.
5. Id.
6. §1341 (a)(1).
7. Id.
8. §1341(a)(2).
9. Id.
10. §1341(a)(3).
11. §1341(a)(4), (5).
12. §1341(a).
13. Id.
14. §.1341(a)(4).
15. §1341(a)(5)(A).
16. Tax liability for purpose of §1341(a)(5)(B) includes alternative minimum tax as well as regular tax. FSA 200129001; CCA 200808019.
17. §1341(a)(5).

Reference related to Practical Tax Strategies article

18. 2009-14 IRB 735.
19. 2009-14 IRB 749.
20. Reg. 1. 165-8(d).

**Form 1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2011** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2011, or other tax year beginning \_\_\_\_\_, 2011, ending \_\_\_\_\_, 20

Your first name and initial **JAMES D** Last name **PIERON, JR.** See separate instructions.

If a joint return, spouse's first name and initial \_\_\_\_\_ Last name \_\_\_\_\_ Your social security number **2111**

Spouse's social security number \_\_\_\_\_

Home address (number and street). If you have a P.O. box, see instructions \_\_\_\_\_ Apt. no. \_\_\_\_\_

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **MT. PLEASANT MI**

Foreign country name \_\_\_\_\_ Foreign province/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_

**Filing Status** 1 ☒ Single 2 ☐ Married filing jointly (even if only one had income) 3 ☐ Married filing separately. Enter spouse's SSN above and full name here. 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. 5 ☐ Qualifying widow(er) with dependent child

Check only one box. **Exemptions** 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a. b ☐ Spouse c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) If child under age 17, enter for child tax credit (see instructions)

If more than four dependents, see instructions and check here ☐

d Total number of exemptions claimed \_\_\_\_\_ Add numbers on lines above **1**

**Income** 7 Wages, salaries, tips, etc. Attach Form(s) W-2 8a Taxable interest. Attach Schedule B if required 8b \_\_\_\_\_ 9a Ordinary dividends. Attach Schedule B if required 9b \_\_\_\_\_ 10 Taxable refunds, credits, or offsets of state and local income taxes 11 Alimony received 12 Business income or (loss). Attach Schedule C or C-EZ 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐ 14 Other gains or (losses). Attach Form 4797 15a IRA distributions 15a \_\_\_\_\_ b Taxable amount 15b \_\_\_\_\_ 16a Pensions and annuities 16a \_\_\_\_\_ b Taxable amount 16b \_\_\_\_\_ 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 \_\_\_\_\_ 18 Farm income or (loss). Attach Schedule F 18 \_\_\_\_\_ 19 Unemployment compensation 19 \_\_\_\_\_ 20a Social security benefits 20a \_\_\_\_\_ b Taxable amount 20b \_\_\_\_\_ 21 Other income. List type and amount **SEE STATEMENT 1** 21 \_\_\_\_\_ 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income **300,000**

**Adjusted Gross Income** 23 Educator expenses 23 \_\_\_\_\_ 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24 \_\_\_\_\_ 25 Health savings account deduction. Attach Form 8889 25 \_\_\_\_\_ 26 Moving expenses. Attach Form 3903 26 \_\_\_\_\_ 27 Deductible part of self-employment tax. Attach Schedule SE 27 \_\_\_\_\_ 28 Self-employed SEP, SIMPLE, and qualified plans 28 \_\_\_\_\_ 29 Self-employed health insurance deduction 29 \_\_\_\_\_ 30 Penalty on early withdrawal of savings 30 \_\_\_\_\_ 31a Alimony paid b Recipient's SSN 31a \_\_\_\_\_ 32 IRA deduction 32 \_\_\_\_\_ 33 Student loan interest deduction 33 \_\_\_\_\_ 34 Donation and fees. Attach Form 8917 34 \_\_\_\_\_ 35 Domestic production activities deduction. Attach Form 8903 35 \_\_\_\_\_ 36 Add lines 23 through 35 36 \_\_\_\_\_ 37 Subtract line 36 from line 22. This is your adjusted gross income **153,295**

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

**RECEIVED** 04 08 2012

**FRESNO, CA**

**AS AMENDED**

**10B.001**

027223



Form 1040 (2011) **JAMES D PIERON, JR.****Tax and Credits**

38	Amount from line 37 (adjusted gross income)	38	2111 Page 2
39a	Check <input type="checkbox"/> You were born before January 2, 1947, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1947, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39a	39a	153,295
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	5,800
41	Subtract line 40 from line 38	41	147,495
42	Exemptions. Multiply \$3,700 by the number on line 6d	42	3,700
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	143,795
44	Tax (see instructions). Check if any from: a <input type="checkbox"/> Form 8814 b <input type="checkbox"/> Form 4872 c <input type="checkbox"/> 962 abc.	44	33,880
45	Alternative minimum tax (see instructions). Attach Form 6251	45	
46	Add lines 44 and 45	46	33,880
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Education credits from Form 8863, line 23	49	
50	Retirement savings contributions credit. Attach Form 8880	50	
51	Child tax credit (see instructions)	51	
52	Residential energy credits. Attach Form 5695	52	
53	Other credits from Form <input checked="" type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	53	3,969
54	Add lines 47 through 53. These are your total credits	54	3,969
55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	55	29,911

**Other Taxes**

56	Self-employment tax. Attach Schedule SE	56	
57	Unreported social security and Medicare tax from Form <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	57	
58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	58	
59a	Household employment taxes from Schedule H	59a	
b	First-time homebuyer credit repayment. Attach Form 5405 if required	59b	
60	Other taxes. Enter code(s) from instructions	60	
61	Add lines 55 through 60. This is your total tax	61	29,911

**Payments**

62	Federal income tax withheld from Forms W-2 and 1099	62	17,196
63	2011 estimated tax payments and amount applied from 2010 return	63	
64a	Earned income credit (EIC)	64a	
b	Nontaxable combat pay election <input type="checkbox"/> 64b	64b	
65	Additional child tax credit. Attach Form 8812	65	
66	American opportunity credit from Form 8863, line 14	66	
67	First-time homebuyer credit from Form 5405, line 10	67	
68	Amount paid with request for extension to file	68	
69	Excess social security and tier 1 RRTA tax withheld	69	
70	Credit for federal tax on fuels. Attach Form 4136	70	
71	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 8839 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885	71	436,446
72	Add lines 62, 63, 64a, and 65 through 71. These are your total payments	72	453,642

IRC 1341

**Refund**

73	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid	73	423,731
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	74a	423,731
b	Routing number XXXXXXXXXX	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number XXXXXXXXXXXXXXXXXXXX		
75	Amount of line 73 you want applied to your 2012 estimated tax	75	

**Amount You Owe**

76	Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions	76	
77	Estimated tax penalty (see instructions)	77	

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see instructions)?	<input checked="" type="checkbox"/> Yes. Complete below. <input type="checkbox"/> No
Designee's name <b>KIM D. PAVLIK</b>	Personal identification number (PIN) <b>11111</b>
Phone no. <b>989-497-5300</b>	

**Sign Here**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	Date	Your occupation	Daytime phone number
Your signature		<b>SALES MANAGER</b>	
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> PTIN
<b>KIM D. PAVLIK</b>			<b>P00044903</b>
Firm's name <b>ANDREWS HOOPER PAVLIK PLC</b>	Firm's EIN <b>3790</b>	Phone no. <b>989-497-5300</b>	
Firm's address <b>5300 GRATIOT RD SAGINAW MI 48638-6035</b>			

DAA Form 1040 (2011)

**AS AMENDED****10B.001**

027224

**SCHEDULE D**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Capital Gains and Losses**▶ Attach to Form 1040 or Form 1040NR. See Instructions for Schedule D (Form 1040).  
▶ Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.

OMB No. 1545-0074

**2011**Attachment  
Sequence No. **12**

Name(s) shown on return

**JAMES D PIERON, JR.**

Your social security number

**2111****Part I Short-Term Capital Gains and Losses – Assets Held One Year or Less**

Complete Form 8949 before completing line 1, 2, or 3.

This form may be easier to complete if you round off cents to whole dollars.

	(e) Sales price from Form(s) 8949, line 2, column (e)	(f) Cost or other basis from Form(s) 8949, line 2, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 2, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
1 Short-term totals from all Forms 8949 with box A checked in Part I				
2 Short-term totals from all Forms 8949 with box B checked in Part I				
3 Short-term totals from all Forms 8949 with box C checked in Part I				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4584, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back				7 0

**Part II Long-Term Capital Gains and Losses – Assets Held More Than One Year**

Complete Form 8949 before completing line 8, 9, or 10.

This form may be easier to complete if you round off cents to whole dollars.

	(e) Sales price from Form(s) 8949, line 4, column (e)	(f) Cost or other basis from Form(s) 8949, line 4, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 4, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
8 Long-term totals from all Forms 8949 with box A checked in Part II				
9 Long-term totals from all Forms 8949 with box B checked in Part II				
10 Long-term totals from all Forms 8949 with box C checked in Part II	0	92,641	-28,000	-120,641
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4584, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12
13 Capital gain distributions. See the instructions				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (h). Then go to Part III on the back				15 -120,641

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule D (Form 1040) 2011

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**JAMES D PIERON, JR.**  
Schedule D (Form 1040) 2011

-2111

Page 2

**Part III Summary**

16 Combine lines 7 and 15 and enter the result	16	<b>-120,641</b>
<ul style="list-style-type: none"> <li>• If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.</li> <li>• If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.</li> <li>• If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.</li> </ul>		
17 Are lines 15 and 16 both gains? <input type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions	18	
19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions	19	
20 Are lines 18 and 19 both zero or blank? <input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <i>Qualified Dividends and Capital Gain Tax Worksheet</i> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <i>Schedule D Tax Worksheet</i> in the instructions. Do not complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of: <ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500)</li> </ul>	21	<b>3,000</b>
Note. When figuring which amount is smaller, treat both amounts as positive numbers.		
22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b? <input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <i>Qualified Dividends and Capital Gain Tax Worksheet</i> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). <input checked="" type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

Schedule D (Form 1040) 2011

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027226



Attachment Sequence No. 12A

Page 2

Your social security number

2111

☒ (C) Long-term transactions for which you cannot check box A or B

DAA

Form 8949 (2011)

027227

## Schedule E (Form 1040) 2011

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Attachment Sequence No. **13**Page **2****JAMES D PIERON, JR.**

Your social security number

**2111**

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

**Part II****Income or Loss From Partnerships and S Corporations** Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section.

☐ Yes ☒ No

28	(a) Name	(b) Enter P for partnership, S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	NAVITAS INVESTMENTS LLC	P		27-2272008	
B					
C					
D					

**Passive Income and Loss****Nonpassive Income and Loss**

	(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A	*		183,705		
B					
C					
D					
29a Totals					
b Totals			183,705		
30 Add columns (g) and (j) of line 29a					0
31 Add columns (f), (h), and (i) of line 29b					183,705
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below					-183,705

**Part III Income or Loss From Estates and Trusts**

33	(a) Name	(b) Employer identification number
A		
B		

**Passive Income and Loss****Nonpassive Income and Loss**

	(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A				
B				
34a Totals				
b Totals				
35 Add columns (d) and (f) of line 34a				35
36 Add columns (c) and (e) of line 34b				36
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below				37

**Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder**

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
A					
B					
39 Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below					39

**Part V Summary**

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41 Total income or (loss). Combine lines 26, 32, 37, 39, & 40. Enter the result here & on Form 1040, line 17, or Form 1040NR, line 48	41	-183,705
42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see instructions)	42	
43 Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

\*LOSS LIMITED BY BASIS

Schedule E (Form 1040) 2011

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Form **3800**Department of the Treasury  
Internal Revenue Service (99)

Name(s) shown on return

## General Business Credit

▶ See separate instructions.

▶ Attach to your tax return.

OMB No. 1545-0895

**2011**Attachment  
Sequence No. **22****JAMES D PIERON, JR.**

Identifying number

-2111

**Part I Current Year Credit for Credits Not Allowed Against Tentative Minimum Tax (TMT)**  
(See instructions and complete Part(s) III before Parts I and II)

1	General business credit from line 2 of all Parts III with box A checked	1	9,621
2	Passive activity credits from line 2 of all Parts III with box B checked	2	
3	Enter the applicable passive activity credits allowed for 2011 (see instructions)	3	
4	Carryforward of general business credit to 2011. Enter the amount from line 2 of Part III with box C checked. See instructions for schedule to attach	4	6,714
5	Carryback of general business credit from 2012. Enter the amount from line 2 of Part III with box D checked (see instructions)	5	
6	Add lines 1, 3, 4, and 5	6	16,335

**Part II Allowable Credit**

7	Regular tax before credits: • Individuals. Enter the amount from Form 1040, line 44, or Form 1040NR, line 42 • Corporations. Enter the amount from Form 1120, Schedule J, Part I, line 2; or the applicable line of your return • Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b; or the amount from the applicable line of your return	7	33,880
8	Alternative minimum tax: • Individuals. Enter the amount from Form 6251, line 35 • Corporations. Enter the amount from Form 4626, line 14 • Estates and trusts. Enter the amount from Schedule I (Form 1041), line 56	8	
9	Add lines 7 and 8	9	33,880
10a	Foreign tax credit	10a	
b	Personal credits from Form 1040 or 1040NR (see instructions)	10b	
c	Add lines 10a and 10b	10c	
11	Net income tax. Subtract line 10c from line 9. If zero, skip lines 12 through 15 and enter -0- on line 16a	11	33,880
12	Net regular tax. Subtract line 10c from line 7. If zero or less, enter -0-	12	33,880
13	Enter 25% (.25) of the excess, if any, of line 12 over \$25,000 (see instructions)	13	2,220
14	Tentative minimum tax: • Individuals. Enter the amount from Form 6251, line 33 • Corporations. Enter the amount from Form 4626, line 12 • Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54	14	29,911
15	Enter the greater of line 13 or line 14	15	29,911
16a	Subtract line 15 from line 11. If zero or less, enter -0-	16a	3,969
b	For a corporation electing to accelerate the research credit, enter the bonus depreciation amount attributable to the research credit (see instructions)	16b	
c	Add lines 16a and 16b	16c	3,969
17a	Enter the smaller of line 6 or line 16c C corporations: See the line 17a instructions if there has been an ownership change, acquisition, or reorganization.	17a	3,969
b	Enter the smaller of line 6 or line 16a. If you made an entry on line 16b, go to line 17c; otherwise, skip line 17c (see instructions)	17b	3,969
c	Subtract line 17b from line 17a. This is the refundable amount for a corporation electing to accelerate the research credit. Include this amount on Form 1120, Schedule J, Part II, line 19c (or the applicable line of your return)	17c	

For Paperwork Reduction Act Notice, see separate instructions.

Form 3800 (2011)

**AS AMENDED****10B.001**

027229



JAMES D PIERON, JR.

Form 3800 (2011)

-2111

Page 2

## Part II Allowable Credit (Continued)

Note. If you are not required to report any amounts on lines 22 or 24 below, skip lines 18 through 25 and enter -0- on line 26.

18	Multiply line 14 by 75% (.75) (see instructions)	18	
19	Enter the greater of line 13 or line 18	19	
20	Subtract line 19 from line 11. If zero or less, enter -0-	20	
21	Subtract line 17b from line 20. If zero or less, enter -0-	21	
22	Combine the amounts from line 3 of all Parts III with box A, C, or D checked	22	
23	Passive activity credit from line 3 of all Parts III with box B checked	23	
24	Enter the applicable passive activity credit allowed for 2011 (see instructions)	24	
25	Add lines 22 and 24	25	
26	Empowerment zone and renewal community employment credit allowed. Enter the smaller of line 21 or line 25	26	0
27	Subtract line 13 from line 11. If zero or less, enter -0-	27	31,660
28	Add lines 17b and 26	28	3,969
29	Subtract line 28 from line 27. If zero or less, enter -0-	29	27,691
30	Enter the general business credit from line 5 of all Parts III with box A checked	30	
31	Enter the total eligible small business credit from line 6 of all Parts III with box E checked	31	
32	Passive activity credits from line 5 of all Parts III with box B checked and line 6 of all Parts III with box F checked	32	
33	Enter the applicable passive activity credits allowed for 2011 (see instructions)	33	
34	Carryforward of business credit to 2011. Enter the amount from line 5 of Part III with box C checked and line 6 of Part III with box G checked. See instructions for schedule to attach	34	
35	Carryback of business credit from 2012. Enter the amount from line 5 of Part III with box D checked and line 6 of Part III with box H checked (see instructions)	35	
36	Add lines 30, 31, 33, 34, and 35	36	
37	Enter the smaller of line 29 or line 36	37	
38	Credit allowed for the current year. Add lines 28 and 37. Report the amount from line 38 (if smaller than the sum of Part I, line 6, and Part II, lines 25 and 36, see instructions) as indicated below or on the applicable line of your return: • Individuals. Form 1040, line 53, or Form 1040NR, line 50 • Corporations. Form 1120, Schedule J, Part I, line 5c • Estates and trusts. Form 1041, Schedule G, line 2b	38	3,969

Form 3800 (2011)

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Form 3800 (2011) **JAMES D PIERON, JR.****Part III General Business Credits or Eligible Small Business Credits (see instructions)** **2111**

Page 3

Complete a separate Part III for each box checked below. (see instructions)

- ☐ **A** General Business Credit From a Non-Passive Activity  
☐ **B** General Business Credit From a Passive Activity  
☐ **C** General Business Credit Carryforwards  
☐ **D** General Business Credit Carrybacks  
☐ **E** Eligible Small Business Credit From a Non-Passive Activity  
☐ **F** Eligible Small Business Credit From a Passive Activity  
☐ **G** Eligible Small Business Credit Carryforwards  
☐ **H** Eligible Small Business Credit Carrybacks

If you are filing more than one Part III with box A, B, E, or F checked, complete and attach first an additional Part III combining amounts from all Parts III with box A, B, E, or F checked. Check here if this is the consolidated Part III ☒

(a) Description of credit

(b)  
If claiming the credit  
from a pass-through  
entity, enter the EIN(c)  
Enter the appropriate  
amount

Note: On any line where the credit is from more than one source, a separate Part III is needed for each pass-through entity.

1a Investment (Form 3468, Part II only) (attach Form 3468)	1a	
b Reserved for future use	1b	
c Increasing research activities (Form 6765)	1c	
d Low-income housing (Form 8586, Part I only)	1d	16,335
e Disabled access (Form 8826) (do not enter more than \$5,000 in column (c) of Parts III with box A, B, E, or F checked, combined)	1e	
f Renewable electricity, refined coal, and Indian coal production (Form 8835)	1f	
g Indian employment (Form 8845)	1g	
h Orphan drug (Form 8820)	1h	
i New markets (Form 8874)	1i	
j Small employer pension plan startup costs (Form 8881) (do not enter more than \$500 in column (c) of Parts III with box A, B, E, or F checked, combined)	1j	
k Employer-provided child care facilities and services (Form 8882)	1k	
l Biodiesel and renewable diesel fuels (attach Form 8864)	1l	
m Low sulfur diesel fuel production (Form 8896)	1m	
n Distilled spirits (Form 8906)	1n	
o Nonconventional source fuel (Form 8907)	1o	
p Energy efficient home (Form 8908)	1p	
q Energy efficient appliance (Form 8909)	1q	
r Alternative motor vehicle (Form 8910)	1r	
s Alternative fuel vehicle refueling property (Form 8911)	1s	
t Reserved for future use	1t	
u Mine rescue team training (Form 8923)	1u	
v Agricultural chemicals security (Form 8931) (do not enter more than \$2 million in column (c) of Parts III with box A, B, E, or F checked, combined)	1v	
w Employer differential wage payments (Form 8932)	1w	
x Carbon dioxide sequestration (Form 8933)	1x	
y Qualified plug-in electric drive motor vehicle (Form 8936)	1y	
z Qualified plug-in electric vehicle (Form 8834, Part I only)	1z	
aa New hire retention (Form 5884-B)	1aa	
bb General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1bb	
zz Other	1zz	
2 Add lines 1a through 1zz and enter here	2	16,335
3 Enter the amount from Form 8844	3	
4a Investment (Form 3468, Part III) (attach Form 3468)	4a	
b Work opportunity (Form 5884)	4b	
c Alcohol and cellulosic biofuel fuels (Form 6478)	4c	
d Low-income housing (Form 8586, Part II)	4d	
e Renewable electricity, refined coal, and Indian coal production (Form 8835)	4e	
f Employer social security and Medicare taxes paid on certain employee tips (Form 8846)	4f	
g Qualified railroad track maintenance (Form 8900)	4g	
h Small employer health insurance premiums (Form 8941)	4h	
i Reserved for future use	4i	
j Reserved for future use	4j	
z Other	4z	
5 Add lines 4a through 4z and enter here	5	
6 Add lines 2, 3, and 5	6	16,335

DAA

Form 3800 (2011)

AS AMENDED

10B.001

027231



Form 3800 (2011) **JAMES D PIERON, JR.**

-2111

Page 3

**Part III General Business Credits or Eligible Small Business Credits (see instructions)**

Complete a separate Part III for each box checked below. (see instructions)

- A** ☒ General Business Credit From a Non-Passive Activity  
**B** ☐ General Business Credit From a Passive Activity  
**C** ☐ General Business Credit Carryforwards  
**D** ☐ General Business Credit Carrybacks  
**E** ☐ Eligible Small Business Credit From a Non-Passive Activity  
**F** ☐ Eligible Small Business Credit From a Passive Activity  
**G** ☐ Eligible Small Business Credit Carryforwards  
**H** ☐ Eligible Small Business Credit Carrybacks

**I** If you are filing more than one Part III with box A, B, E, or F checked, complete and attach first an additional Part III combining amounts from all Parts III with box A, B, E, or F checked. Check here if this is the consolidated Part III ☐

(a) Description of credit

(b)  
If claiming the credit  
from a pass-through  
entity, enter the EIN(c)  
Enter the appropriate  
amount

Note: On any line where the credit is from more than one source, a separate Part III is needed for each pass-through entity.

1a Investment (Form 3468, Part II only) (attach Form 3468)	1a	
b Reserved for future use	1b	
c Increasing research activities (Form 6765)	1c	27-2272008 9,621
d Low-income housing (Form 8586, Part I only)	1d	
e Disabled access (Form 8826) (do not enter more than \$5,000 in column (c) of Parts III with box A, B, E, or F checked, combined)	1e	
f Renewable electricity, refined coal, and Indian coal production (Form 8835)	1f	
g Indian employment (Form 8845)	1g	
h Orphan drug (Form 8820)	1h	
i New markets (Form 8874)	1i	
j Small employer pension plan startup costs (Form 8881) (do not enter more than \$500 in column (c) of Parts III with box A, B, E, or F checked, combined)	1j	
k Employer-provided child care facilities and services (Form 8882)	1k	
l Biodiesel and renewable diesel fuels (attach Form 8864)	1l	
m Low sulfur diesel fuel production (Form 8896)	1m	
n Distilled spirits (Form 8906)	1n	
o Nonconventional source fuel (Form 8907)	1o	
p Energy efficient home (Form 8908)	1p	
q Energy efficient appliance (Form 8909)	1q	
r Alternative motor vehicle (Form 8910)	1r	
s Alternative fuel vehicle refueling property (Form 8911)	1s	
t Reserved for future use	1t	
u Mine rescue team training (Form 8923)	1u	
v Agricultural chemicals security (Form 8931) (do not enter more than \$2 million in column (c) of Parts III with box A, B, E, or F checked, combined)	1v	
w Employer differential wage payments (Form 8932)	1w	
x Carbon dioxide sequestration (Form 8933)	1x	
y Qualified plug-in electric drive motor vehicle (Form 8936)	1y	
z Qualified plug-in electric vehicle (Form 8834, Part I only)	1z	
aa New hire retention (Form 5884-B)	1aa	
bb General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1bb	
zz Other	1zz	
2 Add lines 1a through 1zz and enter here	2	9,621
3 Enter the amount from Form 8844	3	
4a Investment (Form 3468, Part III) (attach Form 3468)	4a	
b Work opportunity (Form 5884)	4b	
c Alcohol and cellulosic biofuel fuels (Form 6478)	4c	
d Low-income housing (Form 8586, Part II)	4d	
e Renewable electricity, refined coal, and Indian coal production (Form 8835)	4e	
f Employer social security and Medicare taxes paid on certain employee tips (Form 8846)	4f	
g Qualified railroad track maintenance (Form 8900)	4g	
h Small employer health insurance premiums (Form 8941)	4h	
i Reserved for future use	4i	
j Reserved for future use	4j	
z Other	4z	
5 Add lines 4a through 4z and enter here	5	
6 Add lines 2, 3, and 5	6	9,621

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Form 3800 (2011)

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Form 3800 (2011) **JAMES D PIERON, JR.****Part III General Business Credits or Eligible Small Business Credits (see instructions)**

2111

Page 3

Complete a separate Part III for each box checked below. (see instructions)

☐ **A** General Business Credit From a Non-Passive Activity☐ **B** General Business Credit From a Passive Activity☒ **C** General Business Credit Carryforwards☐ **D** General Business Credit Carrybacks☐ **E** Eligible Small Business Credit From a Non-Passive Activity☐ **F** Eligible Small Business Credit From a Passive Activity☐ **G** Eligible Small Business Credit Carryforwards☐ **H** Eligible Small Business Credit Carrybacks

**I** If you are filing more than one Part III with box A, B, E, or F checked, complete and attach first an additional Part III combining amounts from all Parts III with box A, B, E, or F checked. Check here if this is the consolidated Part III ☐

(a) Description of credit

(b)

If claiming the credit from a pass-through entity, enter the EIN

(c)

Enter the appropriate amount

Note: On any line where the credit is from more than one source, a separate Part III is needed for each pass-through entity.

1a Investment (Form 3468, Part II only) (attach Form 3468)	1a	
b Reserved for future use	1b	
c Increasing research activities (Form 6765)	1c	6,714
d Low-income housing (Form 8586, Part I only)	1d	
e Disabled access (Form 8826) (do not enter more than \$5,000 in column (c) of Parts III with box A, B, E, or F checked, combined)	1e	
f Renewable electricity, refined coal, and Indian coal production (Form 8835)	1f	
g Indian employment (Form 8845)	1g	
h Orphan drug (Form 8820)	1h	
i New markets (Form 8874)	1i	
j Small employer pension plan startup costs (Form 8881) (do not enter more than \$500 in column (c) of Parts III with box A, B, E, or F checked, combined)	1j	
k Employer-provided child care facilities and services (Form 8882)	1k	
l Biodiesel and renewable diesel fuels (attach Form 8864)	1l	
m Low sulfur diesel fuel production (Form 8896)	1m	
n Distilled spirits (Form 8906)	1n	
o Nonconventional source fuel (Form 8907)	1o	
p Energy efficient home (Form 8908)	1p	
q Energy efficient appliance (Form 8909)	1q	
r Alternative motor vehicle (Form 8910)	1r	
s Alternative fuel vehicle refueling property (Form 8911)	1s	
t Reserved for future use	1t	
u Mine rescue team training (Form 8923)	1u	
v Agricultural chemicals security (Form 8931) (do not enter more than \$2 million in column (c) of Parts III with box A, B, E, or F checked, combined)	1v	
w Employer differential wage payments (Form 8932)	1w	
x Carbon dioxide sequestration (Form 8933)	1x	
y Qualified plug-in electric drive motor vehicle (Form 8936)	1y	
z Qualified plug-in electric vehicle (Form 8834, Part I only)	1z	
aa New hire retention (Form 5884-B)	1aa	
bb General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1bb	
zz Other	1zz	
2 Add lines 1a through 1zz and enter here	2	6,714
3 Enter the amount from Form 8844	3	
4a Investment (Form 3468, Part II) (attach Form 3468)	4a	
b Work opportunity (Form 5884)	4b	
c Alcohol and cellulosic biofuel fuels (Form 6478)	4c	
d Low-income housing (Form 8586, Part II)	4d	
e Renewable electricity, refined coal, and Indian coal production (Form 8835)	4e	
f Employer social security and Medicare taxes paid on certain employee tips (Form 8846)	4f	
g Qualified railroad track maintenance (Form 8900)	4g	
h Small employer health insurance premiums (Form 8941)	4h	
i Reserved for future use	4i	
j Reserved for future use	4j	
z Other	4z	
5 Add lines 4a through 4z and enter here	5	
6 Add lines 2, 3, and 5	6	6,714

Form 3800 (2011)

AS AMENDED

108.001

027233

Form **4797**Department of the Treasury  
Internal Revenue Service (99)

Name(s) shown on return

**Sales of Business Property**  
(Also Involuntary Conversions and Recapture Amounts  
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

**2011**Attachment  
Sequence No. **27****JAMES D PIERON, JR.**

Identifying number

**2111****1** Enter the gross proceeds from sales or exchanges reported to you for 2011 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)**

2 (a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

**3** Gain, if any, from Form 4684, line 39**4** Section 1231 gain from installment sales from Form 6252, line 26 or 37**5** Section 1231 gain or (loss) from like-kind exchanges from Form 8824**6** Gain, if any, from line 32, from other than casualty or theft**7** Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

**8** Nonrecaptured net section 1231 losses from prior years (see instructions)**9** Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)**Part II Ordinary Gains and Losses (see instructions)****10** Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):**SECTION 1244 LOSS LIMITATION****IB TECHNOLOGIES****05/07/09 12/31/11****28,000****78,000****-78,000****11** Loss, if any, from line 7**12** Gain, if any, from line 7 or amount from line 8, if applicable**13** Gain, if any, from line 31**14** Net gain or (loss) from Form 4684, lines 31 and 38a**15** Ordinary gain from installment sales from Form 6252, line 25 or 35**16** Ordinary gain or (loss) from like-kind exchanges from Form 8824**17** Combine lines 10 through 16**18** For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:**a** If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions**b** Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 148bForm **4797** (2011)

For Paperwork Reduction Act Notice, see separate instructions.

**THERE ARE NO AMOUNTS FOR PAGE 2**

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**AS AMENDED****10B.001**

027234



Form

**6251****Alternative Minimum Tax—Individuals**

▶ See separate instructions.

OMB No. 1545-0074

**2011**Attachment  
Sequence No. **32**Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1040NR.

Name(s) shown on Form 1040 or Form 1040NR

**JAMES D PIERON, JR.**

Your social security number

**2111****Part I Alternative Minimum Taxable Income** (See instructions for how to complete each line.)

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41, and go to line 2. Otherwise, enter the amount from Form 1040, line 38, and go to line 7. (If less than zero, enter as a negative amount.)	1	153,295
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4, or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), line 9	3	
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions for this line	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	Skip this line. It is reserved for future use	6	
7	Tax refund from Form 1040, line 10 or line 21	7	
8	Investment interest expense (difference between regular tax and AMT)	8	
9	Depletion (difference between regular tax and AMT)	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11	Alternative tax net operating loss deduction	11	
12	Interest from specified private activity bonds exempt from the regular tax	12	
13	Qualified small business stock (7% of gain excluded under section 1202)	13	
14	Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17	Disposition of property (difference between AMT and regular tax gain or loss)	17	
18	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	18	
19	Passive activities (difference between AMT and regular tax income or loss)	19	
20	Loss limitations (difference between AMT and regular tax income or loss)	20	0
21	Circulation costs (difference between regular tax and AMT)	21	
22	Long-term contracts (difference between AMT and regular tax income)	22	
23	Mining costs (difference between regular tax and AMT)	23	
24	Research and experimental costs (difference between regular tax and AMT)	24	
25	Income from certain installment sales before January 1, 1987	25	
26	Intangible drilling costs preference	26	
27	Other adjustments, including income-based related adjustments	27	
28	Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than \$223,900, see instructions.)	28	153,295

**Part II Alternative Minimum Tax (AMT)**

29	Exemption. (If you were under age 24 at the end of 2011, see instructions.)		
	IF your filing status is ... AND line 28 is not over ... THEN enter on line 29 ...		
	Single or head of household ... \$112,500 ... \$48,450		
	Married filing jointly or qualifying widow(er) ... 150,000 ... 74,450		
	Married filing separately ... 75,000 ... 37,225		
	If line 28 is over the amount shown above for your filing status, see instructions.	29	38,251
30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 31, 33, and 35, and go to line 34	30	115,044
31	<ul style="list-style-type: none"> <li>If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.</li> <li>If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on the back and enter the amount from line 54 here.</li> <li>All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.</li> </ul>	31	29,911
32	Alternative minimum tax foreign tax credit (see instructions)	32	
33	Tentative minimum tax. Subtract line 32 from line 31	33	29,911
34	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see instructions)	34	33,880
35	AMT. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45	35	0

For Paperwork Reduction Act Notice, see your tax return instructions.

Form 6251 (2011)

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**AS AMENDED****108.001**

027235



Form **982**

(Rev. February 2011)

Department of the Treasury  
Internal Revenue Service**Reduction of Tax Attributes Due to Discharge of  
Indebtedness (and Section 1082 Basis Adjustment)**

▶ Attach this form to your income tax return.

OMB No. 1545-0046

Attachment  
Sequence No. **94**

Name shown on return

**JAMES D PIERON, JR.**Identification number  
**2111****Part I** General Information (see instructions)

- 1 Amount excluded is due to (check applicable box(es)):
- a Discharge of indebtedness in a title 11 case
- b Discharge of indebtedness to the extent insolvent (not in a title 11 case)
- c Discharge of qualified farm indebtedness
- d Discharge of qualified real property business indebtedness
- e Discharge of qualified principal residence indebtedness
- 2 Total amount of discharged indebtedness excluded from gross income **13,370,885**
- 3 Do you elect to treat all real property described in section 1221(a)(1), relating to property held for sale to customers in the ordinary course of a trade or business, as if it were depreciable property? ☐ Yes ☐ No

☒ X  
☐  
☐  
☐  
☐
**Part II** Reduction of Tax Attributes. You must attach a description of any transactions resulting in the reduction in basis under section 1017. See Regulations section 1.1017-1 for basis reduction ordering rules, and, if applicable, required partnership consent statements. (For additional information, see the instructions for Part II.)

Enter amount excluded from gross income:

- |   |     |         |
|---|-----|---------|
| 4 For a discharge of qualified real property business indebtedness applied to reduce the basis of depreciable real property   | 4   |         |
| 5 That you elect under section 108(b)(5) to apply first to reduce the basis (under section 1017) of depreciable property  | 5   |         |
| 6 Applied to reduce any net operating loss that occurred in the tax year of the discharge or carried over to the tax year of the discharge                              | 6   |         |
| 7 Applied to reduce any general business credit carryover to or from the tax year of the discharge  | 7   | 6,714   |
| 8 Applied to reduce any minimum tax credit as of the beginning of the tax year immediately after the tax year of the discharge  | 8   |         |
| 9 Applied to reduce any net capital loss for the tax year of the discharge, including any capital loss carryovers to the tax year of the discharge                      | 9   | 120,641 |
| 10a Applied to reduce the basis of nondepreciable and depreciable property if not reduced on line 5. DO NOT use in the case of discharge of qualified farm indebtedness | 10a |         |
| b Applied to reduce the basis of your principal residence. Enter amount here ONLY if line 1e is checked   | 10b |         |
| 11 For a discharge of qualified farm indebtedness applied to reduce the basis of:   |     |         |
| a Depreciable property used or held for use in a trade or business or for the production of income if not reduced on line 5   | 11a |         |
| b Land used or held for use in trade or business of farming   | 11b |         |
| c Other property used or held for use in a trade or business or for the production of income  | 11c |         |
| 12 Applied to reduce any passive activity loss and credit carryovers from the tax year of the discharge   | 12  |         |
| 13 Applied to reduce any foreign tax credit carryover to or from the tax year of the discharge  | 13  |         |

**Part III** Consent of Corporation to Adjustment of Basis of Its Property Under Section 1082(a)(2)

Under section 1081(b), the corporation named above has excluded \$ \_\_\_\_\_ from its gross income for the tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.

Under that section, the corporation consents to have the basis of its property adjusted in accordance with the regulations prescribed under section 1082(a)(2) in effect at the time of filing its income tax return for that year. The corporation is organized under the laws of \_\_\_\_\_.

(State of incorporation)

Note. You must attach a description of the transactions resulting in the nonrecognition of gain under section 1081.

For Paperwork Reduction Act Notice, see page 5 of this form.

Form **982** (Rev. 2-2011)

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**AS AMENDED****108.001**

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2111

**Federal Statements****Statement 1 - Form 1040, Line 21 - Other Income**

<u>Description</u>	<u>Amount</u>
TOTAL DEBT CANCELED	\$ 13,670,885
EXCLUDED CANCELED DEBT	-13,370,885
TOTAL	<u>\$ 300,000</u>

**AS AMENDED**

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**108.001**

027237



Form **1040****Insolvency Worksheet****2011**

Name

**JAMES D PIERON, JR.**

Taxpayer Identification Number

**-2111****Part I. Total liabilities immediately before the cancellation (do not include the same liability in more than one category)**

Liabilities (Debt)	Amount Owed Immediately Before the Cancellation
1. Credit card debt	1. _____
2. Mortgage(s) on real property (including first and second mortgages and home equity loans) (mortgage(s) can be on personal residence, any additional residence, or property held for investment or used in trade or business)	2. _____
3. Car and other vehicle loans	3. _____
4. Medical bills	4. _____
5. Student loans	5. _____
6. Accrued or past-due mortgage interest	6. _____
7. Accrued or past-due real estate taxes	7. _____
8. Accrued or past-due utilities (water, gas, electric)	8. _____
9. Accrued or past-due child care costs	9. _____
10. Federal or state income taxes remaining due (for prior years)	10. _____
11. Loans owed to IRA accounts, 401(k) accounts, and other retirement accounts	11. <b>445,136</b>
12. Loans against insurance policies	12. _____
13. Judgements	13. _____
14. Business debts (including those owed as a sole proprietor or partner)	14. _____
15. Margin debt on stocks and other debt to purchase or secured by investment assets other than real property	15. _____
16. Other liabilities (debts) not included above	16. <b>13,225,749</b>
<b>17. Total liabilities immediately before the cancellation. Add lines 1 through 16.</b>	<b>17. 13,670,885</b>

**Part II. Fair market value (FMV) of assets owned immediately before the cancellation (do not include the FMV of the same asset in more than one category)**

Assets	FMV Immediately Before the Cancellation
18. Cash and bank account balances	18. <b>100</b>
19. Residences (including the value of land) (can be personal residence, and additional residence, or property held for investment or used in trade or business)	19. _____
20. Cars and other vehicles	20. <b>25,000</b>
21. Computers	21. _____
22. Household goods and furnishings (for example, appliances, electronics, and furniture)	22. _____
23. Tools	23. _____
24. Jewelry	24. _____
25. Clothing	25. _____
26. Books	26. _____
27. Stocks and bonds	27. _____
28. Investments in coins, stamps, paintings, or other collectibles	28. _____
29. Firearms, sports, photographic, and other hobby equipment	29. _____
30. Interest in retirement accounts (IRA accounts, 401(k) accounts, and other retirement accounts)	30. _____
31. Interest in a pension plan	31. _____
32. Interest in education accounts	32. _____
33. Cash value of life insurance	33. _____
34. Security deposits with landlords, utilities, and others	34. _____
35. Interest in partnerships	35. _____
36. Value of investment in a business	36. <b>251,000</b>
37. Other investments (for example, annuity contracts, guaranteed investment contracts, mutual funds, commodity accounts, interest in hedge funds, and options)	37. _____
38. Other assets not included above	38. <b>23,900</b>
<b>39. FMV of total assets immediately before the cancellation. Add lines 18 through 38</b>	<b>39. 300,000</b>

**Part III. Insolvency****40. Amount of insolvency. Subtract line 39 from line 17. If zero or less, you are not insolvent.** **40. 13,370,885****Part IV. Total cancelled debt due to insolvency**

**41. Amount of insolvency - line 40** **41. 13,370,885**  
**42. Total income requested to be excluded due to insolvency (total amount from Cancellation of Debt Worksheet)** **42. 13,370,885**  
**43. Total income excluded due to insolvency. Lesser of line 41 and line 42.** **43. 13,370,885**

**AS AMENDED****10B.001**

027238



Form 1040		Cancellation of Debt Worksheet					Taxpayer Identification Number 2011	
Name		JAMES D PIERON, JR.						
Form 1099-C Creditor Name	Form 1040	Unit	(A) 1099-C Box 2 Debt Canceled	(B) 1099-C Box 3 Deduct. Interest	(C) Box 2 Exception/ Exclusion Amount	Net Amount In Income (A) - (B) - (C)	Exception/Exclusion to Inclusion In Income	
U.S. TREASURY	1040		445,136		145,136	300,000	INCOME TAXES	
TOTAL REPORTED ON 1040, LINE 21	1040		13,225,749		13,225,749	0	GAIN REIMBURSEMENT FORGIV	
			13,670,885		13,370,885	300,000		

AS AMENDED

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**Federal Statements**

T

**Insolvency Worksheet, Line 10 - Federal or State Income Taxes Due from Prior Years**

Description	Amount
2008 - 2010	\$ 445,136
TOTAL	\$ 445,136

T

**Insolvency Worksheet, Line 16 - Other Liabilities**

Description	Amount
GAIN REIMBURSEMENT	\$ 13,225,749
TOTAL	\$ 13,225,749

T

**Insolvency Worksheet, Line 18 - Fair Market Value of Cash and Bank Account Balances**

Description	Amount
PNC BANK	\$ 100
TOTAL	\$ 100

T

**Insolvency Worksheet, Line 20 - Fair Market Value of Cars and Other Vehicles**

Description	Amount
(CAR) VW	\$ 25,000
TOTAL	\$ 25,000

T

**Insolvency Worksheet, Line 36 - Fair market Value of Investments in Businesses**

Description	Amount
NAVITAS INVESTMENTS, LLC	\$ 1,000
KOMPLIQUE, INC.	250,000
TOTAL	\$ 251,000

T

**Insolvency Worksheet, Line 38 - Fair Market Value of Other Assets**

Description	Amount
USED FITNESS EQUIPMENT	\$ 20,000
ASSET ROUND TO 300,000	3,900
TOTAL	\$ 23,900

**AS AMENDED****108.001**



2111

## Federal Statements

6755

Increasing research activities Adjustment from Form 982

Description	Amount
CREDIT UTILIZED IN CURRENT YEAR	
CREDIT REDUCED BY ATTRIBUTE REDUCTION, FORM 982, LINE 7	\$ -3,969
	-6,714
TOTAL	\$ -10,683

AS AMENDED

108.001

027241

Form <b>1040</b>	<b>General Business Credit Carryover Report</b>	<b>2011</b>
Name <b>JAMES D PIERON, JR.</b>		Taxpayer Identification Number <b>2111</b>

General Business Credit Carryover for Form **6765****INCREASING RESEARCH ACTIVITIES**

Prior Tax Year	Prior Year Carryover Amount	Credit Amount Generated/Utilized	Credit Carryover to Next Year
1996			
1997			
1998			
1999			
2000			
2001			
2002			
2003			
2004			
2005			
2006			
2007			
2008			
2009			
2010	6,714		
	Utilized in 2011	*	6,714
	Generated in 2011	-10,683	-10,683
		9,621	9,621
	General Business Credit Carryover to 2012		5,652

\*CARRYOVER REDUCED BY ATTRIBUTE REDUCTION, FORM 982

**AS AMENDED****108.001**

027242



**Form 1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return | 2011** OMB No. 1545-0074 **RS Use Only—Do not write or staple in this space.**

For the year Jan. 1–Dec. 31, 2011, or other tax year beginning 2011, ending 20

Your first name and initial **JAMES D** Last name **PIERON, JR.** See separate instructions.

If a joint return, spouse's first name and initial Last name Your social security number **2111**

Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. **1916 CHURCHILL BLVD.** Apt. no. **▲ Make sure the SSN(s) above and on line 5c are correct.**

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **MT. PLEASANT MI 48858**

Foreign country name Foreign province/county Foreign postal code

**Filing Status** 1 ☒ Single 2 ☐ Married filing jointly (even if only one had income) 3 ☐ Married filing separately. Enter spouse's SSN above and full name here. 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. 5 ☐ Qualifying widow(er) with dependent child

Check only one box. **Exemptions** 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a 6b ☐ Spouse 6c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If child under age 17 qual. for child tax credit (see instr.)	(5) <input type="checkbox"/> If child under age 17 qual. for dependent care credit (see instr.)

If more than four dependents, see instructions and check here ☐

**d Total number of exemptions claimed** 1

**Income** 7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 **90,000**

8a Taxable interest. Attach Schedule B if required 8a

b Tax-exempt interest. Do not include on line 8a 8b

9a Ordinary dividends. Attach Schedule B if required 9a

b Qualified dividends 9b

10 Taxable refunds, credits, or offsets of state and local income taxes 10

11 Alimony received 11

12 Business income or (loss). Attach Schedule C or C-EZ 12

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐ 13 **-3,000**

14 Other gains or (losses). Attach Form 4797 14 **-50,000**

15a IRA distributions 15a b Taxable amount 15b

16a Pensions and annuities 16a b Taxable amount 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 **-183,705**

18 Farm income or (loss). Attach Schedule F 18

19 Unemployment compensation 19

20a Social security benefits 20a b Taxable amount 20b

21 Other income. List type and amount 21

22 Combine the amounts in the far right column for lines 7 through 21. This is your total income **22 -146,705**

**Adjusted Gross Income** 23 Educator expenses 23

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24

25 Health savings account deduction. Attach Form 8889 25

26 Moving expenses. Attach Form 3903 26

27 Deductible part of self-employment tax. Attach Schedule SE 27

28 Self-employed SEP, SIMPLE, and qualified plans 28

29 Self-employed health insurance deduction 29

30 Penalty on early withdrawal of savings 30

31a Alimony paid b Recipient's SSN 31a

32 IRA deduction 32

33 Student loan interest deduction 33

34 Tuition and fees. Attach Form 8917 34

35 Domestic production activities deduction. Attach Form 8903 35

36 Add lines 23 through 35 36

37 Subtract line 36 from line 22. This is your adjusted gross income **37 -146,705**

**Enclose, but do not attach, any payment. Also, please use Form 1040-V.**

**RECEIVED** 725 04 08 2014

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**FRESNO, CA**

**Form 1040 (2011)**



Form 1040 (2011) **JAMES D PIERON, JR.****Tax and Credits****Standard Deduction for—**

• People who check any box on line 38a or 38b or who can be claimed as a dependent, see instructions.

• All others:  
Single or Married filing separately, \$5,800

Married filing jointly or Qualifying widow(er), \$11,600

Head of household, \$8,000

**Other Taxes****Payments**

If you have a qualifying child, attach Schedule EIC.

**Refund**

Direct deposit? See instructions.

**Amount You Owe****Third Party Designee****Sign Here**

Joint return? See instr. Keep a copy for your records.

38	Amount from line 37 (adjusted gross income)	38	<b>-2111</b>
39a	Check <input type="checkbox"/> You were born before January 2, 1947, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1947, <input type="checkbox"/> Blind. Total boxes checked <b>▶</b> 39a	39a	<b>-146,705</b>
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	<b>5,800</b>
41	Subtract line 40 from line 38	41	<b>-152,505</b>
42	Exemptions. Multiply \$3,700 by the number on line 6d	42	<b>3,700</b>
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	<b>0</b>
44	Tax (see instr.). Check if any from: <input type="checkbox"/> Form(s) 9814 <input type="checkbox"/> Form 4972 <input type="checkbox"/> 962 elec.	44	<b>0</b>
45	Alternative minimum tax (see instructions). Attach Form 8251	45	<b>0</b>
46	Add lines 44 and 45	46	
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Education credits from Form 8883, line 23	49	
50	Retirement savings contributions credit. Attach Form 8880	50	
51	Child tax credit (see instructions)	51	
52	Residential energy credits. Attach Form 5695	52	
53	Other credits from Form(s) <input type="checkbox"/> 3800 <input type="checkbox"/> 8801 <input type="checkbox"/> c <input type="checkbox"/>	53	
54	Add lines 47 through 53. These are your total credits	54	
55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	55	<b>0</b>
56	Self-employment tax. Attach Schedule SE	56	
57	Unreported social security and Medicare tax from Form(s) <input type="checkbox"/> 4137 <input type="checkbox"/> 8919	57	
58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5320 if required	58	
59a	Household employment taxes from Schedule H	59a	
59b	First-time homebuyer credit repayment. Attach Form 5405 if required	59b	
60	Other taxes. Enter code(s) from instructions	60	
61	Add lines 55 through 60. This is your total tax	61	<b>0</b>
62	Federal income tax withheld from Forms W-2 and 1099	62	<b>17,196</b>
63	2011 estimated tax payments and amount applied from 2010 return	63	
64a	Earned income credit (EIC)	64a	
64b	Non-taxable combat pay election	64b	
65	Additional child tax credit. Attach Form 8812	65	
66	American opportunity credit from Form 8863, line 14	66	
67	First-time homebuyer credit from Form 5405, line 10	67	
68	Amount paid with request for extension to file	68	
69	Excess social security and tier 1 RRTA tax withheld	69	
70	Credit for federal tax on fuels. Attach Form 4136	70	
71	Credits from Form(s) <input type="checkbox"/> 2439 <input type="checkbox"/> 8339 <input type="checkbox"/> 8801 <input type="checkbox"/> 8885	71	
72	Add lines 62, 63, 64a, and 65 through 71. These are your total payments	72	<b>17,196</b>
73	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid	73	<b>17,196</b>
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	74a	<b>17,196</b>
74b	Routing number <b>XXXXXXXXXX</b>	74b	
74c	Account number <b>XXXXXXXXXXXXXXXXXXXX</b>	74c	
74d	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	74d	
75	Amount of line 73 you want applied to your 2012 estimated tax <b>▶</b> 75	75	
76	Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions <b>▶</b> 76	76	
77	Estimated tax penalty (see instructions)	77	

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete below. ☐ No

Designee's name **▶ KIM D. PAVLIK** Personal identification number (PIN) **▶ 11111** Phone no. **▶ 989-497-5300**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature **SALES MANAGER** Date **SALES MANAGER** Daytime phone number **SALES MANAGER**

Spouse's signature, if a joint return, both must sign. Date Spouse's occupation **SALES MANAGER**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ ☐ PTIN

Paid **KIM D. PAVLIK**

Preparer Firm's name **▶ ANDREWS HOOPER PAVLIK PLC**

self-employed **P00044903**

Use Only Firm's address **▶ 5300 GRATIOT RD SAGINAW MI 48638-6035**

Firm's EIN **▶ 3790**

Phone no. **989-497-5300**

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Form 1040 (2011)





**SCHEDULE D**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service

(99)

**Capital Gains and Losses**▶ Attach to Form 1040 or Form 1040NR ▶ See instructions for Schedule D (Form 1040).  
▶ Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.

OMB No. 1545-0074

**2011**Attachment  
Sequence No. **12**

Name(s) shown on return

**JAMES D PIERON, JR.**

Your social security number

**-2111****Part I Short-Term Capital Gains and Losses – Assets Held One Year or Less**

Complete Form 8949 before completing line 1, 2, or 3.

This form may be easier to complete if you round off cents to whole dollars.

	(e) Sales price from Form(s) 8949, line 2, column (e)	(f) Cost or other basis from Form(s) 8949, line 2, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 2, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
1 Short-term totals from all Forms 8949 with box A checked in Part I				
2 Short-term totals from all Forms 8949 with box B checked in Part I				
3 Short-term totals from all Forms 8949 with box C checked in Part I				
4 Short-term gain from Form 8252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back				7 0

**Part II Long-Term Capital Gains and Losses – Assets Held More Than One Year**

Complete Form 8949 before completing line 8, 9, or 10.

This form may be easier to complete if you round off cents to whole dollars.

	(e) Sales price from Form(s) 8949, line 4, column (e)	(f) Cost or other basis from Form(s) 8949, line 4, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 4, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
8 Long-term totals from all Forms 8949 with box A checked in Part II				
9 Long-term totals from all Forms 8949 with box B checked in Part II				
10 Long-term totals from all Forms 8949 with box C checked in Part II	0	92,641	-28,000	-120,641
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 8252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12
13 Capital gain distributions. See the instructions				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (h). Then go to Part III on the back				15 -120,641

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule D (Form 1040) 2011

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**JAMES D PIERON, JR.**  
Schedule D (Form 1040) 2011

-2111

Page 2

**Part III Summary**

16	Combine lines 7 and 15 and enter the result	16	-120,641
<ul style="list-style-type: none"> <li>• If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.</li> <li>• If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.</li> <li>• If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.</li> </ul>			
17	Are lines 15 and 16 both gains?		
	<input type="checkbox"/> Yes. Go to line 18.		
	<input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18	Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions	18	
19	Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions	19	
20	Are lines 18 and 19 both zero or blank?		
	<input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below.		
	<input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.		
21	If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:	21	3,000
	<ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500)</li> </ul>		
Note. When figuring which amount is smaller, treat both amounts as positive numbers.			
22	Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?		
	<input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42).		
	<input checked="" type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

Schedule D (Form 1040) 2011

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Attachment Sequence No. 12A

Page 2

Your social security number

-2111

☐ (A) Long-term transactions reported on Form 1099-B with basis reported to the IRS ☐ (B) Long-term transactions reported on Form 1099-B but basis not reported to the IRS ☒ (C) Long-term transactions for which you cannot check box A or B

4 Totals. Add the amounts in columns (e) and (f). Also, combine the amounts in column (g). Enter here and include on Schedule D, line 8 (if box A above is checked), line 9 (if box B above is checked), or line 10 (if box C above is checked).

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92,641

-28,000

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Form 8949 (2011)

027248



Schedule E (Form 1040) 2011

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Attachment Sequence No. 13

Page 2

**JAMES D PIERON, JR.**

Your social security number

-2111

**Part II** Income or Loss From Partnerships and S Corporations. Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section.

☐ Yes ☒ No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	NAVITAS INVESTMENTS LLC	P		27-2272008	
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss	
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562
A *		183,705	
B			
C			
D			
29a Totals		183,705	
b Totals			
30 Add columns (g) and (i) of line 29a			0
31 Add columns (f), (h), and (i) of line 29b			183,705
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below			-183,705

**Part III** Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer identification number
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a Totals			
b Totals			
35 Add columns (d) and (f) of line 34a			
36 Add columns (c) and (e) of line 34b			
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below			

**Part IV** Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				

**Part V** Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, & 40. Enter the result here & on Form 1040, line 17, or Form 1040NR, line 18	41	-183,705
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1085), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see instructions)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities	43	

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\*LOSS LIMITED BY BASIS

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Schedule E (Form 1040) 2011

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Form **3800**

## General Business Credit

Department of the Treasury  
Internal Revenue Service (99)

- ▶ See separate instructions.  
▶ Attach to your tax return.

OMB No. 1545-0095

**2011**Attachment  
Sequence No. **22**

Name(s) shown on return

Identifying number

**JAMES D PIERON, JR.****2111****Part I** Current Year Credit for Credits Not Allowed Against Tentative Minimum Tax (TMT)  
(See instructions and complete Part(s) III before Parts I and II)

1	General business credit from line 2 of all Parts III with box A checked	1	9,621
2	Passive activity credits from line 2 of all Parts III with box B checked	2	
3	Enter the applicable passive activity credits allowed for 2011 (see instructions)	3	
4	Carryforward of general business credit to 2011. Enter the amount from line 2 of Part III with box C checked. See instructions for schedule to attach	4	
5	Carryback of general business credit from 2012. Enter the amount from line 2 of Part III with box D checked (see instructions)	5	
6	Add lines 1, 3, 4, and 5	6	9,621

**Part II** Allowable Credit

7	Regular tax before credits:	7	0
	Individuals. Enter the amount from Form 1040, line 44, or Form 1040NR, line 42		
	Corporations. Enter the amount from Form 1120, Schedule J, Part I, line 2; or the applicable line of your return		
	Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b; or the amount from the applicable line of your return		
8	Alternative minimum tax:	8	
	Individuals. Enter the amount from Form 6251, line 35		
	Corporations. Enter the amount from Form 4626, line 14		
	Estates and trusts. Enter the amount from Schedule I (Form 1041), line 56		
9	Add lines 7 and 8	9	
10a	Foreign tax credit	10a	
b	Personal credits from Form 1040 or 1040NR (see instructions)	10b	
c	Add lines 10a and 10b	10c	
11	Net income tax. Subtract line 10c from line 9. If zero, skip lines 12 through 15 and enter -0- on line 16a	11	
12	Net regular tax. Subtract line 10c from line 7. If zero or less, enter -0-	12	
13	Enter 25% (.25) of the excess, if any, of line 12 over \$25,000 (see instructions)	13	
14	Tentative minimum tax:	14	
	Individuals. Enter the amount from Form 6251, line 33		
	Corporations. Enter the amount from Form 4626, line 12		
	Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54		
15	Enter the greater of line 13 or line 14	15	
16a	Subtract line 15 from line 11. If zero or less, enter -0-	16a	0
b	For a corporation electing to accelerate the research credit, enter the bonus depreciation amount attributable to the research credit (see instructions)	16b	
c	Add lines 16a and 16b	16c	
17a	Enter the smaller of line 6 or line 16c	17a	
	Corporations: See the line 17a instructions if there has been an ownership change, acquisition, or reorganization.		
b	Enter the smaller of line 6 or line 16a. If you made an entry on line 16b, go to line 17c; otherwise, skip line 17c (see instructions)	17b	
c	Subtract line 17b from line 17a. This is the refundable amount for a corporation electing to accelerate the research credit. Include this amount on Form 1120, Schedule J, Part II, line 19c (or the applicable line of your return)	17c	

For Paperwork Reduction Act Notice, see separate instructions.

Form 3800 (2011)

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JAMES D PIERON, JR.

Form 3800 (2011)

2111

**Part II Allowable Credit (Continued)**

Page 2

Note. If you are not required to report any amounts on lines 22 or 24 below, skip lines 18 through 25 and enter -0- on line 26.

18 Multiply line 14 by 75% (.75) (see instructions)	18	
19 Enter the greater of line 13 or line 18	19	
20 Subtract line 19 from line 11. If zero or less, enter -0-	20	
21 Subtract line 17b from line 20. If zero or less, enter -0-	21	
22 Combine the amounts from line 3 of all Parts III with box A, C, or D checked	22	
23 Passive activity credit from line 3 of all Parts III with box B checked	23	
24 Enter the applicable passive activity credit allowed for 2011 (see instructions)	24	
25 Add lines 22 and 24	25	
26 Empowerment zone and renewal community employment credit allowed. Enter the smaller of line 21 or line 25	26	0
27 Subtract line 13 from line 11. If zero or less, enter -0-	27	0
28 Add lines 17b and 26	28	
29 Subtract line 28 from line 27. If zero or less, enter -0-	29	0
30 Enter the general business credit from line 5 of all Parts III with box A checked	30	
31 Enter the total eligible small business credit from line 6 of all Parts III with box E checked	31	
32 Passive activity credits from line 5 of all Parts III with box B checked and line 6 of all Parts III with box F checked	32	
33 Enter the applicable passive activity credits allowed for 2011 (see instructions)	33	
34 Carryforward of business credit to 2011. Enter the amount from line 5 of Part III with box C checked and line 8 of Part III with box G checked. See instructions for schedule to attach	34	
35 Carryback of business credit from 2012. Enter the amount from line 5 of Part III with box D checked and line 6 of Part III with box H checked (see instructions)	35	
36 Add lines 30, 31, 33, 34, and 35	36	
37 Enter the smaller of line 29 or line 36	37	
38 Credit allowed for the current year. Add lines 28 and 37. Report the amount from line 38 (if smaller than the sum of Part I, line 6, and Part II, lines 25 and 36, see instructions) as indicated below or on the applicable line of your return: • Individuals. Form 1040, line 53, or Form 1040NR, line 50 • Corporations. Form 1120, Schedule J, Part I, line 5c • Estates and trusts. Form 1041, Schedule G, line 2b	38	

Form 3800 (2011)

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Form 3800 (2011) JAMES D PIERON, JR.

-2111

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**Part III General Business Credits or Eligible Small Business Credits (see instructions)**

Complete a separate Part III for each box checked below. (see instructions)

- A ☒ General Business Credit From a Non-Passive Activity  
 B ☐ General Business Credit From a Passive Activity  
 C ☐ General Business Credit Carryforwards  
 D ☐ General Business Credit Carrybacks  
 E ☐ Eligible Small Business Credit From a Non-Passive Activity  
 F ☐ Eligible Small Business Credit From a Passive Activity  
 G ☐ Eligible Small Business Credit Carryforwards  
 H ☐ Eligible Small Business Credit Carrybacks

I If you are filing more than one Part III with box A, B, E, or F checked, complete and attach first an additional Part III combining amounts from all Parts III with box A, B, E, or F checked. Check here if this is the consolidated Part III ☐

**(a) Description of credit**

**(b)**  
If claiming the credit from a pass-through entity, enter the EIN

**(c)**  
Enter the appropriate amount

Note: On any line where the credit is from more than one source, a separate Part III is needed for each pass-through entity.

1a Investment (Form 3468, Part II only) (attach Form 3468)	1a	
b Reserved for future use	1b	
c Increasing research activities (Form 8765)	1c	27-2272008 9,621
d Low-income housing (Form 8586, Part I only)	1d	
e Disabled access (Form 8826) (do not enter more than \$5,000 in column (c) of Parts III with box A, B, E, or F checked, combined)	1e	
f Renewable electricity, refined coal, and Indian coal production (Form 8835)	1f	
g Indian employment (Form 8845)	1g	
h Orphan drug (Form 8820)	1h	
i New markets (Form 8874)	1i	
j Small employer pension plan startup costs (Form 8881) (do not enter more than \$500 in column (c) of Parts III with box A, B, E, or F checked, combined)	1j	
k Employer-provided child care facilities and services (Form 8882)	1k	
l Biodiesel and renewable diesel fuels (attach Form 8864)	1l	
m Low sulfur diesel fuel production (Form 8896)	1m	
n Distilled spirits (Form 8906)	1n	
o Nonconventional source fuel (Form 8907)	1o	
p Energy efficient home (Form 8908)	1p	
q Energy efficient appliance (Form 8909)	1q	
r Alternative motor vehicle (Form 8910)	1r	
s Alternative fuel vehicle refueling property (Form 8911)	1s	
t Reserved for future use	1t	
u Mine rescue team training (Form 8923)	1u	
v Agricultural chemicals security (Form 8931) (do not enter more than \$2 million in column (c) of Parts III with box A, B, E, or F checked, combined)	1v	
w Employer differential wage payments (Form 8932)	1w	
x Carbon dioxide sequestration (Form 8933)	1x	
y Qualified plug-in electric drive motor vehicle (Form 8938)	1y	
z Qualified plug-in electric vehicle (Form 8834, Part I only)	1z	
aa New hire retention (Form 5884-B)	1aa	
bb General credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1bb	
zz Other	1zz	
2 Add lines 1a through 1zz and enter here	2	9,621
3 Enter the amount from Form 8844	3	
4a Investment (Form 3468, Part III) (attach Form 3468)	4a	
b Work opportunity (Form 5884)	4b	
c Alcohol and cellulosic biofuel fuels (Form 6478)	4c	
d Low-income housing (Form 8586, Part II)	4d	
e Renewable electricity, refined coal, and Indian coal production (Form 8835)	4e	
f Employer social security and Medicare taxes paid on certain employee tips (Form 8846)	4f	
g Qualified railroad track maintenance (Form 8900)	4g	
h Small employer health insurance premiums (Form 8941)	4h	
i Reserved for future use	4i	
j Reserved for future use	4j	
k Other	4k	
5 Add lines 4a through 4z and enter here	5	
6 Add lines 2, 3, and 5	6	9,621

DAA

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Form 3800 (2011)

108.001

027252



Form **4797**Department of the Treasury  
Internal Revenue Service (99)

Name(s) shown on return

**Sales of Business Property**  
(Also Involuntary Conversions and Recapture Amounts  
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

**2011**Attachment  
Sequence No. **27****JAMES D PIERON, JR.**

Identifying number

**2111****1** Enter the gross proceeds from sales or exchanges reported to you for 2011 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)**

2 (a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

**3** Gain, if any, from Form 4684, line 39**4** Section 1231 gain from installment sales from Form 6252, line 26 or 37**5** Section 1231 gain or (loss) from like-kind exchanges from Form 8824**6** Gain, if any, from line 32, from other than casualty or theft**7** Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 8. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

**8** Nonrecaptured net section 1231 losses from prior years (see instructions)**9** Subtract line 8 from line 7. If zero or loss, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)**Part II Ordinary Gains and Losses (see instructions)****10** Ordinary gains and losses not included on lines 11 through 18 (include property held 1 year or less):**SECTION 1244 LOSS LIMITATION****IB TECHNOLOGIES****05/07/09 12/31/11****28,000****78,000****-78,000****11** Loss, if any, from line 7**12** Gain, if any, from line 7 or amount from line 8, if applicable**13** Gain, if any, from line 31**14** Net gain or (loss) from Form 4684, lines 31 and 38a**15** Ordinary gain from installment sales from Form 6252, line 25 or 38**16** Ordinary gain or (loss) from like-kind exchanges from Form 8824**17** Combine lines 10 through 16**18** For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:**a** If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions**b** Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14

For Paperwork Reduction Act Notice, see separate instructions.

Form 4797 (2011)

THERE ARE NO AMOUNTS FOR PAGE 2

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027253



Form **6251****Alternative Minimum Tax—Individuals**Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

**2011**Attachment  
Sequence No. **32**

Name(s) shown on Form 1040 or Form 1040NR

**JAMES D PIERON, JR.**

Your social security number

**-2111****Part I Alternative Minimum Taxable Income** (See instructions for how to complete each line.)

1 If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41, and go to line 2. Otherwise, enter the amount from Form 1040, line 38, and go to line 7. (If less than zero, enter as a negative amount.)	1	-146,705
2 Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4, or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3 Taxes from Schedule A (Form 1040), line 9	3	
4 Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions for this line	4	
5 Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6 Skip this line. It is reserved for future use	6	
7 Tax refund from Form 1040, line 10 or line 21	7	
8 Investment interest expense (difference between regular tax and AMT)	8	
9 Depletion (difference between regular tax and AMT)	9	
10 Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11 Alternative tax net operating loss deduction	11	
12 Interest from specified private activity bonds exempt from the regular tax	12	
13 Qualified small business stock (7% of gain excluded under section 1202)	13	
14 Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15 Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16 Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17 Disposition of property (difference between AMT and regular tax gain or loss)	17	
18 Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	18	
19 Passive activities (difference between AMT and regular tax income or loss)	19	
20 Loss limitations (difference between AMT and regular tax income or loss)	20	0
21 Circulation costs (difference between regular tax and AMT)	21	
22 Long-term contracts (difference between AMT and regular tax income)	22	
23 Mining costs (difference between regular tax and AMT)	23	
24 Research and experimental costs (difference between regular tax and AMT)	24	
25 Income from certain installment sales before January 1, 1987	25	
26 Intangible drilling costs preference	26	
27 Other adjustments, including income-based related adjustments	27	
28 Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than \$223,900, see instructions.)	28	-146,705

**Part II Alternative Minimum Tax (AMT)**

29 Exemption. (If you were under age 24 at the end of 2011, see instructions.)		
IF your filing status is ...	AND line 28 is not over ...	THEN enter on line 29 ...
Single or head of household	\$112,500	\$48,450
Married filing jointly or qualifying widow(er)	150,000	74,450
Married filing separately	75,000	37,225
If line 28 is over the amount shown above for your filing status, see instructions.		29 48,450
30 Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 31, 33, and 35, and go to line 34	30	0
31 • If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter. • If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as required for the AMT, if necessary), complete Part III on the back and enter the amount from line 54 here. • All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.	31	
32 Alternative minimum tax foreign tax credit (see instructions)	32	
33 Tentative minimum tax. Subtract line 32 from line 31	33	0
34 Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be figured without using Schedule J (see instructions)	34	
35 AMT. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45	35	0

For Paperwork Reduction Act Notice, see your tax return instructions.

**AS ORIGINALLY  
FILED**Form **6251** (2011)

DAA

**10B.001**

027254



Year Ending: December 31, 2011

2111

James D Pieron, Jr.  
1916 Churchill Blvd.  
Mt. Pleasant, MI 48858

**NOL Carryback Election**

Under IRC Section 172(b)(3), the taxpayer elects to relinquish the entire carryback period with respect to the regular tax and AMT net operating losses incurred during the current tax year.

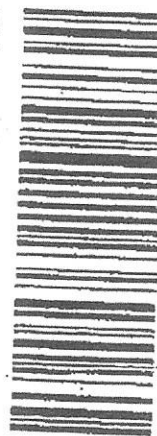
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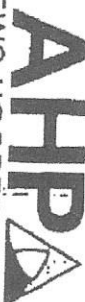






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